

ARTICLE 10 - CONTRACT CHANGES

Modifications to the contract occur when a signed fully executed change order from the Owner to the GC/CM changes to the Total Construction Cost (TCC). Only in an emergency situation can the E&AS Project Manager give verbal authorization for a change. Written documentation must be confirmed in writing within 48 hours.

A change order proposal (COP), or a field authorization (FA) changes the project scope and can change the contract sum and the contract time. When all terms have been agreed to and signed by the GC/CM, architect and Owner; the COP or FA will be converted into a change order. A Team Change Memo (TCM) authorizes change work within the MACC. This section describes how FAs, COPs, COs, and TCMs are issued, monitored, and incorporated into the GC/CM's contract. The Owner must accept or reject any request for equitable adjustment, change order or claim within 30 days. If the Owner does not respond in writing, the request is deemed denied.

The original scope of work is guaranteed by the GC/CM not to exceed the MACC. The MACC will cover all changes necessary to produce a complete, fully functional facility within the original scope of work. The GC/CM is responsible for building the facility and supporting infrastructure within the MACC at the scope defined at the time the MACC is established. The GC/CM will accomplish this objective within the MACC by using savings from bid packages and GC/CM contingencies to cover these types of changes. Work necessary to conform to published code and state/federal/local laws will be covered by the MACC. The MACC and/or the schedule may be changed due to latent site conditions or to a change in the scope of work by the owner.

10.1 Changes to the MACC and/or Schedule

Changes to the MACC shall be paid out of the Owner contingency. The Owner contingency shall be used to pay for changes such as latent conditions, and changes in the Owner's design.

Changes involving a change in the cost of the work, the MACC, the schedule, or the scope of work, must be authorized in writing on the CO by the state's contracting officer prior to the change work starting. The GC/CM shall receive a fully executed copy of the CO authorization to proceed prior to beginning work.

No COP or FA shall be issued as a CO without stating an exact cost for the work supported by appropriate backup documentation. An FA may be initiated with a not-to-exceed limit when an exact cost cannot initially be determined. In this case, the FA should include a statement of how the cost will be determined, i.e., cost of materials, plus exact hourly rates, plus profit/overhead if any. The team contract specialist shall incorporate FAs and COPs that have completed cost breakdowns and appropriate backup into COs as they are received in the project manager's office. Upon execution of a CO, the project budget sheet will be modified to reflect the change to the MACC.

Failure of the GC/CM to adhere to this requirement exempts the state from any obligation for such work and may make the GC/CM liable for claims resulting from unauthorized work. The GC/CM, architect, Owner and E&AS project manager shall sign each original

COP and FA. The state's contract specialist shall convert a completed COP or FA into an executed CO. The project manager shall supply copies of the executed CO to the GC/CM, A/E, and Owner. The contracting officer shall have final approval on any exception to this procedure.

10.1.1 Master Change Log

The GC/CM shall maintain a master change log which shall list all FAs, COPs, TCMs and their executed COs. The master change log is a comprehensive listing of all changes and modifications considered and executed for the project. The log incorporates a running summation of all executed COs, FAs or COPs not yet converted to COs. The project team can, at any time, ascertain the value of existing executed changes, changes implemented but not yet formally executed, FAs, and those COPs awaiting consideration.

Once a FA or COP is issued in the field, the work item is given the next FA or COP number in the master log.

Upon receipt of an FA, COP or TCM, the GC/CM shall enter the appropriate information on the master change log. All COPs, FAs and TCMs shall remain on the log for the duration of the project even if they are ultimately rejected. The project team shall review all FAs and COPs pending and executed within the past week at the team weekly progress meeting.

Should the work item be rejected, the FA or COP is marked "void" with a brief explanation and remains on the master log. A complete and chronological history is maintained of all contemplated changes or modifications.

10.1.2 Change Order Proposal (COP)

The COP is a request to change either the contract sum MACC or time or both. The Owner, project manager, architect, or GC/CM may request a COP. The architect will write the COP after it receives a sequential COP number from the master change log from the GC/CM. When a COP number is issued, the item is entered into the log, and remains there throughout the life of the project providing a continuous history of all changes that have been considered.

COPs are sent to the A/E for design and/or specifications if necessary. A copy is kept in a central file at the job site. The GC/CM will deliver a complete package, with applicable cost information to the A/E with copies to the owner and project manager. The project team will review and the team will either accept the change as proposed, reject the change, or will direct the A/E or GC/CM to make additional changes. The latter process may occur on an iterative basis until the COP is accepted or rejected. Once approved and signed, a change order will be issued within 30 days. If a change order is not issued for an approved, signed COP within 30 days, interest in the amount of one percent per month shall accrue on the dollar amount of the additional work completed.

COPs of \$35,000 or more require approval from the DES Assistant Program Manager of Engineering & Architectural Services (E&AS).

COPs are executed with the original going to the DES Engineering & Architectural

Services contract file and signed copies going to the GC/CM, A/E, project manager, and the Owner.

10.1.3 Field Authorization (FA)

An FA is an authorization to commence the work immediately for an estimated maximum not to exceed amount. FAs are issued if there is an immediate threat to life or safety, or if delaying the work will affect the overall project schedule. Otherwise, the change will be initiated as a COP. No FA shall be authorized without an estimated not to exceed cost for the change.

FAs \$35,000 and over must be approved by DES Assistant Program Manager. FAs for this amount may be issued for the same reasons as above. Verbal approval may be given by the PM or designee. Written confirmation of the verbal authorization must be attached to the FA and transmitted to the authorizing official within three (3) days of the FAs execution. In the absence of the contracting officer or designee, the DES public works administrator can provide verbal authorization of the FA.

FAs are originated by the project manager, the A/E, or the Owner. Every FA is assigned a sequential FA number that is obtained from the GC/CM or designee. Once an FA number is issued, it is entered into the master change log and remains there throughout the life of the project providing a continuous history of all changes that have been considered.

The original FA shall be retained by the GC/CM until the receipt and approval of cost data backup. After the project team reviews and approves the costs, it is forwarded to the contracts specialist by the project manager to be incorporated into a CO within 30 days. Copies are distributed to the GC/CM, project manager, A/E, and Owner.

Changes involving a change to the MACC will be accomplished using the above process. Payment applications shall include only fully executed COs. Consequently, the GC/CM is charged with responsibility of ensuring that all FA and COP work items are converted to COs.

10.2 Changes within the MACC - Team Change Memo

Changes within the MACC shall be paid out of the risk contingency or from any remaining buyout savings. The risk contingency shall be used to pay for items that are not included in plans and specifications but are required to complete the project to achieve a fully functional facility.

Changes within the MACC are authorized by a [Team Change Memo](#) (TCM).

The approval of the PM is necessary before the GC/CM can authorize any change within the MACC.

A TCM may be initiated by a FA or COP in the same manner as in the CO process. The process described above for FAs and COPs shall be followed. A TCM will be issued rather than a CO whenever the change does not involve a latent condition or a change in the scope of work by the Owner or Owner's representative. TCMs may also be initiated without an FA or COP for changes within the MACC. The project manager has signature authority for TCMs up to \$35,000. TCMs at \$35,000 and above require prior approval by the assistant program manager.

An accounting of changes within the MACC is reported by the GC/CM on a monthly basis in the Cost Accounting Report. Copies of TCMs authorizing changes within the MACC shall be forwarded by the GC/CM to the project manager, A/E, and Owner immediately. The TCM log shall be available for review at weekly construction progress meetings.